

BCP Methodology Benefits realisation



Consulting

Consulting helps management to make well informed decisions. The insight and independent assurance we bring provides an invaluable safeguard in today's complex operating environment. We work with our clients in their boardrooms and their back offices, delivering business control to help them to protect and strengthen every aspect of their business from people to performance, systems to strategy, business plans to business resilience.

We draw proudly on our auditing heritage as well as our commercial experience, to rigorously evaluate our clients' governance procedures, processes, information and controls and, where necessary, recommend the best way to fix them.

Our Consulting service consists of nearly 60 employees with various background knowledge and offers expertise on Business Continuity Management (BCM), Internal Audit Services, Internal Controls Optimisation, Corporate Governance and Reporting, as well as Assurance and Advisory services related to security and controls of information technology systems including Enterprise Resource Planning (ERP) systems (e.g. SAP, Oracle, Navision), System Implementation Assurance (SIA), Computer -Assisted Audit Techniques (CAATs), Spreadsheet Integrity, ISO/IEC 27001 standard, Penetration Testing and IT Risk Diagnostic and Benchmarking.

Contact us

Tassos Procopiou
Partner
Consulting
tassos.procopiou@cy.pwc.com

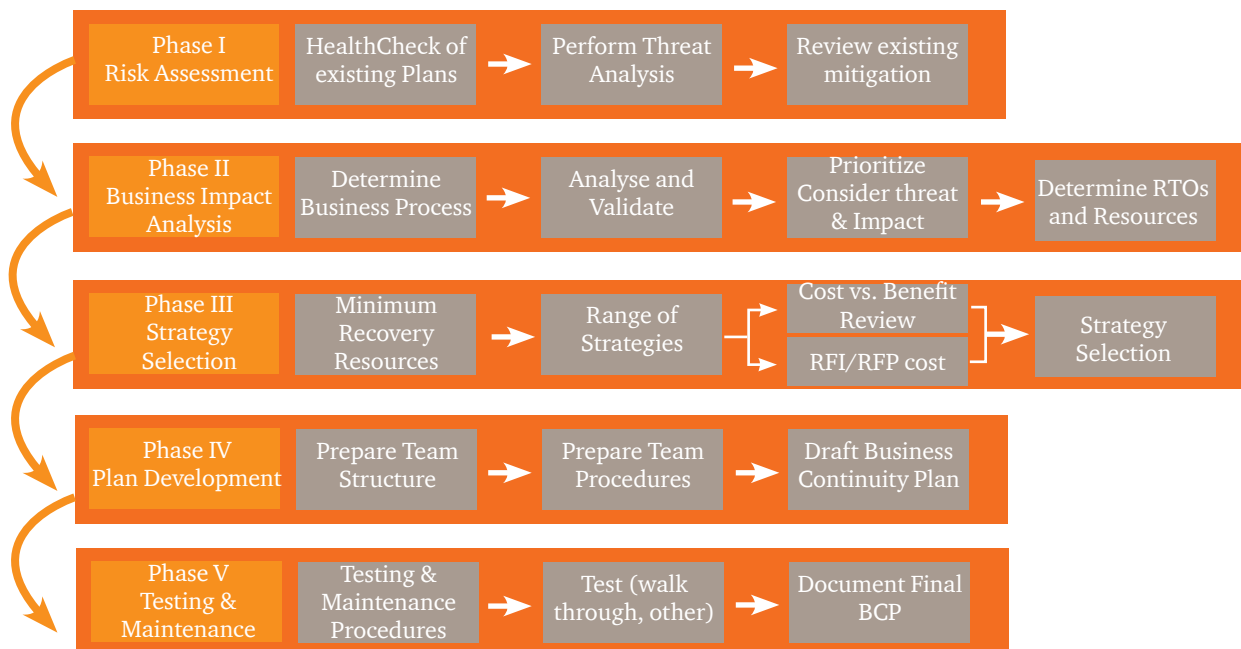
Demos Demou
Manager
Consulting
demos.demou@cy.pwc.com

PricewaterhouseCoopers Ltd
3 Themistocles Dervis Street
CY-1066 Nicosia, Cyprus
P O Box 21612,
CY-1591 Nicosia, Cyprus
Tel: +357-22555000
Fax: +357-22555001

www.pwc.com.cy/technology-consulting

PwC – BCP Methodology

Our BCP methodology incorporates five (5) phases. The phases take an organisation from prioritising core business processes and developing recovery strategies, through creating plans for the critical business units and the initial testing of the plans. This methodology will be applied to deliver our services to the critical departments at your location(s).



Phase I: Risk Assessment

During the risk assessment phase, the relevant threats are identified. PwC has built an inventory which exhaustively lists the possible disasters and incidents that can impair the continuity of the operations. Our specialised consultants use this list as a basis for the identification of the threats that are relevant for the organisation of the client. The resulting inventory of threats is validated and completed in cooperation with client management. For each threat, the impact and probability of occurrence of the risks are both analysed and documented. In order to build a practical set of measures, we suggest the grouping of the identified threats into crisis scenarios.

During this phase, the existing plans and measures are also evaluated if this is required by the client. This will enable us to assess the extent to which the organisation is prepared to face the identified crisis scenarios.



Phase II: Business Impact Analysis

Through the Business Impact Analysis (BIA) phase of the project we take a broad look at the organisation's business functions and narrow down the functions into a focused list of critical processes. In our experience, concentrating the list of business functions allows for the most effective planning and use of recovery resources. Specifically, the BIA will allow the team to:

- Identify the organisation's core, critical processes
- Distinguish the impacts to each business function
- Identify the resource requirements for each critical process
- Estimate the financial and operational impacts of disruption and, through this, determine the required Recovery Time Objective for each business function
- Categorize the criticality and vulnerability of each business process
- Confirm or modify required recovery resources for each critical business function identified

The BIA begins with the distribution of customized BIA questionnaires to the management of the organisation. The questionnaires serve to determine and quantify the impacts to each department and the impact a disruption of the business function would have on the organisation. It also probes into the internal and external interdependencies, identifies threats, assesses levels of risk, and prioritises the core processes. The organisation's respondents can expect to spend one (1) to two (2) hours completing the questionnaire. PwC reviews the questionnaires in preparation for the first work session. PwC will conduct these work sessions with the Subject Matter Experts (SME) from each division. The work sessions focus on validating and clarifying questionnaire responses, and gathering more detailed information. In our experience, these interviews tend to take approximately two (2) hours.

The information gathered from the questionnaires and work sessions will then be analysed and the organisation will be provided with a preliminary draft of our findings. The results will be reviewed with appropriate members of the organisation's management to ensure accuracy and completeness. The draft report includes critical information addressing the following issues:

- Financial impacts of disruption
- Operational impacts of disruption
- Recovery time objectives
- Recommended staffing levels for business continuity
- Required resources (i.e., office equipment computer systems, vital records, telecommunications) for business continuity of each critical department
- Rational recovery strategies for critical business functions

The questionnaires and work sessions provide the critical data for creating the BIA. The results of the BIA provide the foundation upon which the organisation's business continuity plans and program are created.

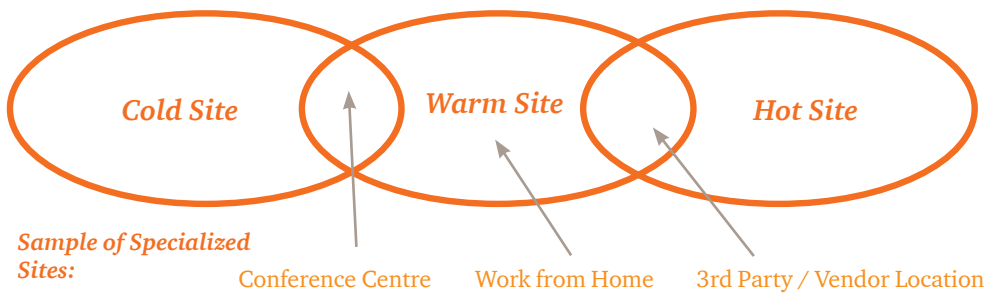
Phase III: Strategy Alternatives Analysis/Evaluation and Selection

In this phase, PwC, in conjunction with the organisation, explores a variety of strategy alternatives for the recovery of the critical business units. Based on the information from the BIA and strategy options, we help the organisation select the most cost effective and beneficial recovery solution(s). In particular, this stage is used to:

- Confirm or modify required recovery resources for each critical business function identified during the BIA
- Explore internal, as well as external, sites for recovery
- Explore manual and interim workarounds to deal with the loss of systems, facilities, regional infrastructure and critical third parties
- Explore alternative recovery strategies

Roundtable discussions with the organisation's management, IT and Facilities department will be conducted to achieve the objectives stated above.

General Recovery Strategies:



The primary deliverable from this phase will be a high-level recovery strategy evaluation for all critical areas, covering both manual and automated recovery strategies.

The discussion of the recovery options will address the following for each alternative:

- Recovery Strategy - a brief description of the option, including alternate site requirements
- Strengths - features that support business continuity
- Weaknesses - features that hinder business continuity
- Costs - pre-disaster and post-disaster costs
- Outstanding Issues - items that require further investigation and management approval before implementing an option
- Recommendations – suggestions about which business functions or types of functions should use a given recovery strategy

Information gathered during this phase will provide the organisation with viable recovery strategies, their costs and benefits and allow the organisation's management to make informed, effective decisions regarding resource allocations for the business continuity program.



Phase IV: Plan Development/Documentation

The efforts of the first three phases are the foundation for a comprehensive and viable business continuity program. The information from the earlier stages is used in the creation of the Business Continuity Plan. In this phase, PwC works with the organisation's personnel to prepare draft plans for the organisation's critical business functions. In addition, PwC will design the plan to facilitate updates and changes as required for plan maintenance.

This plan will serve as a guide for the organisation to assess disruptive events, determining the appropriate response(s), and initiating procedures to activate required contingency methods and procedures. Specifically, the BCP includes:

- Team member organization and notification
- Disaster assessment and declaration procedures
- High-level recovery resource coordination
- Notification and coordination of internal and external contacts
- Detailed recovery and restoration procedures that will provide a streamlined and effective framework for the continuity of the organisation's business

The individual business process or function plans, within the greater BCP, will be based on a team concept. Recovery teams are structured to provide dedicated support for specific recovery activities. These teams will serve one or more of three functions:

- Recover critical business functions
- Provide logistical, technological and infrastructure support
- Manage the recovery and restoration process

The second group of work sessions will be conducted with each recovery or BCP team to review and develop more detailed procedures and revise the plan. Each work session will last from 1.5 to 2.0 hours depending on the complexity of the business function. PwC will be responsible for facilitating and documenting the results of these work sessions. Each team will be responsible for incorporating the information into their business continuity plan.

We propose to develop the BCP documentation, plans and supporting information in an MS Word format, which affords the organisation with an easily maintained and updated document.

Initially, PwC will develop the structure and format for the overall BCP. This structure addresses the following issues:

- Purpose and objectives of the plan
- Assumptions for planning
- Summary of recovery strategies
- Roles and responsibilities
- Recovery policies and procedures from initial response through recovery
- Team membership and contact information
- Required applications and data
- Internal and external contacts information
- Resource requirements

While no business wants to experience an outage, the details and procedures developed in this phase and supported by the recovery strategy will help the organisation's critical business functions have a quick and smooth recovery and restoration period. The goal is that all personnel will know how to function during a disruption, what business priorities they should focus on, and exactly what they should do to maintain the organisation's financial standing and reputation.



Phase V: Plan Testing and Maintenance

Once the business continuity plan and recovery procedures are developed, we conduct one structured walk-through for each plan (the final work session), to test the plan's effectiveness. The objective of this exercise is to validate recovery procedures, familiarize the organisation's personnel with their roles and responsibilities, and to identify areas of the plans that may need revisions.

The testing phase of the BCP is a key step and allows us to accelerate the plan development phase and provides a substantial knowledge and ownership transfer to the organisation's personnel.

While we will be involved in the initial test, it is important to recognize that business continuity plans are living documents and need to be updated on a regular basis, especially when changes in the organization occur (e.g. new applications, change in personnel). Additionally, the plans should be tested on a periodic basis.

As facilitators of the test, we provide assistance in the following areas:

- Developing objectives and test scenarios
- Creating scripts before the test
- Observing the test
- Noting the progress and results of the test
- Conducting post-test debriefings



This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2015 PricewaterhouseCoopers Ltd. All rights reserved. PwC refers to the Cyprus member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.